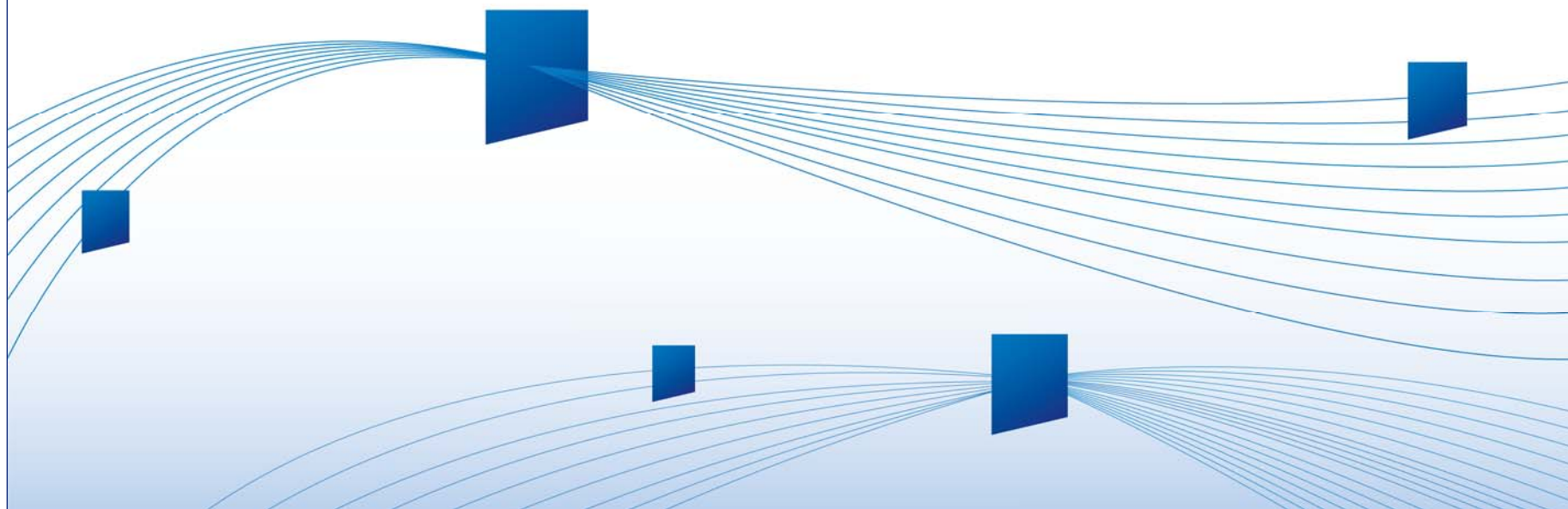


NYSE MatchPoint

October 2009



NYSE MatchPoint

NYSE MatchPoint is an NYSE Euronext exchange trading facility

- Centralized, neutral and level playing field
- Scheduled matching sessions
- Anonymous and non-displayed
- Portfolio and block trade capabilities
- Available to all NYSE member firms and their customers

NYSE MatchPoint: A Unique Exchange Facility

Point-in-time, Scheduled Matches

- Block trading: aggregates multiple buyers and sellers in each security
- Neutralizes “probing” algos and algo “pinging”

Portfolio and Order-based Approach

- No other exchange facility executes portfolios
- Allows portfolios AND single block orders to interact with each other

Black Box Process

- No pre-trade order information disclosed
- All trades per security are aggregated into a single NYSE print
- Trades clear anonymously

Exchange Neutrality

- Full operational and trade transparency
- Integrated regulatory surveillance and enforcement

NYSE MatchPoint Daily Matching Sessions

Intraday Matching Sessions: 9:45 AM, 10 AM, 11 AM, 12 PM, 1PM, 2 PM & 3 PM

- Mid-point of the NBBO randomly selected within a one minute “pricing” window
- “Fast Match” process speeds execution processing and enhances order control
- “Dark”, liquidity-seeking algos and quant strategies have no informational advantage as in a continuous dark pool
- No IOIs or Routing Out; All executed and unexecuted shares are returned to the user immediately after the match

After Hours Matching Session: 4:45 PM

- Official closing price from primary market
- With the major markets “closed”, massive latent liquidity is available for matching
- Price collar thresholds and news monitoring reduces after-the-close and late- breaking news and price volatility risk

NYSE MatchPoint “Stages” of a Match

Pre-Match (Order Entry)

- All NMS Issues
- Orders are not displayed
- Orders may be entered & canceled until matchprice is selected
- Users may enter min size, limit price and portfolio constraints

Match (Execution)

Match Begins

- Orders are matched on a pro-rata basis while honoring all constraints
- Match Price= Mid-point of NBBO randomly selected within a 1 minute window
- “Freezes” orders for only about 5 seconds

Match Ends

- Users receive execution reports immediately
- Single NYSE print per issue with “X” modifier
- Trades clear anonymously via NSCC RIO contract output
- Order entry enabled for next match session

Post-Match (Trade Processing)

NYSE MatchPoint Internal Match Capability

MatchPoint users may execute internal matches and simultaneously match residual shares against orders from other users within a matching session.

- This feature is optional and is applied at the portfolio level.
- Internal matches are allowed within a User's (Mnemonic) orderflow
- Have priority over other User's orderflow
- Residuals from internal matches must trade with other flow
- Internal matches are free

NYSE MatchPoint Net Cash Constraints

Net cash constraints are an effective cash and risk management tool for managing order executions within a portfolio. A portfolio is a separate and distinct set of linked orders.

Net cash constraints limit how much a portfolio may raise or spend in a particular matching session. This feature is optional.

- Cash Management- Use sales to fund buys within a match
- Risk Management- Keep buys and sells in line

NYSE MatchPoint Value...Something For Everyone

Portfolio Traders

Portfolio-based system attracts broad liquidity, Cash constraints provide risk and cash management

Block Traders

Point-in-time model accumulates same side orders into large block opportunities

Algos & DMA Providers

Orders “frozen” for only 5 seconds and high message throughput, access via existing Arca FIX or NYSE CCG sessions

Prop Desks

Low cost exchange facility, additional tool to reduce risk with no information leakage to market

Agency Desks

Low cost, neutral alternative to ATSS who are competing for your institutional customers (using your liquidity to do it!)

Index Funds/Transitions

Passive, portfolio-based trading environment using benchmark prices, news and price volatility monitoring

Mutual Funds/ RIAs

Centralized liquidity in time, place and price reduces liquidity fragmentation

Hedge Funds

No pre or post trade information leakage (orders are non-displayed and all trades are aggregated into one print per security)

NYSE MatchPoint Fee Schedule

Average Daily Volume of Shares Executed/Entered	Rate Per Share Executed/Entered
50,000 or less shares executed or 499,999 shares or less shares entered	\$.0015 per share
Over 50,000 to 499,999 shares executed or 500,000 to 4,999,999 shares entered	\$.0010 per share
500,000 and greater shares executed or over 5,000,000 shares entered	\$.0005 per share

For More Information

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